GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:46
ANSWERED ON:10.08.2007
NON-RECEIPT OF UTILISATION CERTIFICATES
Jha Shri Raghunath

Will the Minister of FINANCE be pleased to state:

(a) whether there have been cases wherein funds were released to ministries and statutory bodies without receiving utilisation certificates for the previous installments;

(b) if so, the details thereof for each of the last two financial years; and

(c) the remedial measures taken by the Union Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) As per reports of Comptroller & Auditor General of India, in financial year 2004-05 a total amount of Rs. 147.28 crores were released by Ministry/Department of Atomic Energy, Home Affairs, Civil Aviation, Chemicals & Petrochemicals, Finance, Ministry of Law and Justice, and Tourism without obtaining 258 outstanding utilisation certificates involving a total amount of Rs. 88.48 crores. Further, in financial year 2005-06 Ministry/Department of Health and Family Welfare, Home Affairs, Law, Justice and Company Affairs and Department of Economic Affairs released grant to the tune of Rs. 56.72 crores without obtaining 322 outstanding Utilisation Certificates involving an amount of Rs. 71.38 crore.

(c)As per Rule 212(1) of GFR, 2005, in respect of non-recurring grants, it is mandatory that an institute/organisation receiving such grants should submit Utilisation Certificates within 12 months of the closure of the financial year, failing which the Ministry/Department is at liberty to black-list such institution or organisation from any future grant from the Government. Also in respect of recurring grants Ministries/Departments should release any amount sanctioned for the subsequent financial year, only after utilization certificates on provisional basis in respect of grants for preceding financial year is submitted. Release of grants-in-aid in excess of 75% of the total amount sanctioned for the subsequent financial year shall be done only after the Utilisation Certificate and the Annual Audited Statement relating to grants-in-aid released in the preceding year are submitted to the satisfaction of the Ministry/Department concerned.

It is for the concerned Ministries/Departments to ensure that the provisions of the GFR are strictly complied with, before releasing grant to organizations/statutory bodies/institutions. Ministry of Finance have been advising the administrative Ministries/Departments from time to time, to ensure that fresh grants are not released, unless Utilization Certificates in respect of previous grants have been obtained.